FACT SHEET

michigan municipal league

Medical Marihuana Facilities Licensing Act

Introduction

On September 21, Governor Snyder signed a package of bills (2016 PA 281-283) that significantly expand the types of medical marihuana facilities permitted under state law, and establishes a licensing scheme similar to the scheme for liquor licenses. Notably, these bills do not require a state license to operate as a primary caregiver under the Michigan Medical Marihuana Act, nor do they allow municipalities to prohibit operation as a primary caregiver. The existing regulatory scheme regarding primary caregivers remains in effect.

Requirements under the new Act

Among other things, the legislation:

1. Legalizes the medical use of marihuana-infused products, commonly known as "edibles," for purposes of state law.

2. Creates the Medical Marihuana Licensing Board within the Michigan Department of Licensing and Regulatory Affairs (LARA) to issue licenses for various medical marihuana facilities.

3. Requires an annual license for any of the following entities to operate a marihuana facility:
   - Growers—licensees that cultivate, dry, trim, or cure and package marihuana for sale to a processor or provisioning center. Registered patients and primary caregivers who lawfully cultivate marihuana in the quantities and for the purposes permitted under the Medical Marihuana Act are not considered "growers" under the new legislation.
   - Processors—licensees that purchase marijuana from a grower and extract resin from the marijuana or create a marijuana-infused product for sale and transfer in packaged form to a provisioning center.
   - Provisioning centers—licensees that purchase marihuana from a grower or processor and sell, supply, or provide marihuana to patients, directly or through the patient's caregiver.
   - Secure transporters—licensees that store marihuana and transport it between marihuana facilities for a fee.
   - Safety compliance facilities—licensees that receive marihuana from a marihuana facility or primary caregiver and test it for contaminants and other substances.

4. **Allows municipalities to choose whether to allow any of these marijuana facilities within their jurisdictions**. If the municipality takes no action, none of the facilities are allowed. A municipality that wishes to allow these facilities must enact an ordinance explicitly authorizing them.

5. Authorizes municipalities to charge an annual fee of up to $5,000 on licensed marihuana facilities to defray administrative and enforcement costs.

6. Authorizes municipalities to adopt ordinances relating to marihuana facilities within their jurisdiction, including zoning ordinances.

7. Prohibits municipalities from imposing regulations regarding the purity or pricing of marihuana or interfering or conflicting with statutory regulations for licensing marihuana facilities.

8. Requires municipalities to provide to the Medical Marihuana Licensing Board within 90 days after notice that a license application was filed: (a) a copy of any ordinance authorizing the marihuana facility, (b) a copy of any zoning regulation applicable to the facility, and (c) a description of any previous medical-marihuana related ordinance violation.

9. Exempts from FOIA disclosure any information a municipality obtains in connection with a license application.

10. Requires the state to establish a "seed to sale" computer tracking system to compile data regarding marihuana plants throughout the chain of custody from grower to patient. The system will be able to provide this data in real-time to local law enforcement agencies.

This publication was written by the law firm of Dickinson Wright.